

Second, widespread local exchange/exchange access competition confirms that the fourteen items on the "competitive checklist" have truly been "fully implemented." Full implementation requires actual operational viability, not mere paper promises, and operational viability generally can only be determined in a commercial setting. Competitors will readily identify flaws that might otherwise go unnoticed.

Third, widespread local exchange/exchange access competition ensures that the public will in fact derive the benefits competitive local exchange/exchange access service offerings should afford. Fourth, such competition will enhance the likelihood that long distance competition will not be adversely impacted by BOC entry into the "in-region," interLATA market. Consumers benefit from actual, not theoretical, competition. BOC market behavior is constrained by actual, not theoretical, market forces.

Simply put, the proof of the pudding is in the eating. If there is little or no local exchange/exchange access competition, the odds are that the petitioning BOC has not completely opened its markets and fully implemented all items on the "competitive checklist." As noted above, history teaches that monopolists do not readily relinquish market control. Economics teaches that corporations will generally pursue profit-maximizing strategies. Logic, therefore, dictates that the Commission should proceed with caution in doling out the sole incentive BOCs have to take actions that would otherwise be directly contrary to their interests.

III.

CONCLUSION

By reason of the foregoing, the Telecommunications Resellers Association urges the Commission to deny the Application of Michigan Bell Telephone Company d/b/a Ameritech Michigan under Section 271(d) of the Communications Act, as amended by Section 151 of the Telecommunications Act to provide, through its affiliate Ameritech Communications, Inc., interLATA service within the "in-region State" of Michigan. As demonstrated by TRA above, Ameritech has failed to satisfy the requirements for providing "in-region," interLATA service set forth in Section 271(c), and to establish that the authorization it requests is consistent with the public interest, convenience and necessity, as required by Section 271(d)(3).

Respectfully submitted,

**TELECOMMUNICATIONS
RESELLERS ASSOCIATION**

By: 

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June 10, 1997

Its Attorneys

EXHIBIT I

**TRA May 28, 1997 Submission to the
Michigan Public Service Commission**

**STATE OF MICHIGAN
IN THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission's)
own motion, to consider Ameritech)
Michigan's compliance with the)
competitive checklist in Section 271 of)
the Telecommunications Act of 1996.)
_____)

Case No. U-11104

**TELECOMMUNICATIONS RESELLERS ASSOCIATION'S SUBMISSION OF
INFORMATION REGARDING OPERATIONS SUPPORT SYSTEMS**

The Telecommunications Resellers Association ("TRA"), on behalf of its members and pursuant to the Commission's August 28, 1996 order establishing procedures in this docket, provides the following comments regarding the sufficiency of operational support systems ("OSS") presently provided by Ameritech. It is TRA's position that the current OSS issues being considered by the Commission demonstrate that the local service market is not yet ready for competition; moreover, Ameritech's in region interLATA market entry is premature

A nationwide trade association, TRA represents more than 500 entities engaged in, or providing products and services in support of, the provision of value-added telecommunications services. TRA was created, and carries a continuing mandate, to foster and promote telecommunications resale, to support the telecommunications resale industry and to protect and further the interests of entities engaged in the resale of telecommunications services. Although initially engaged almost exclusively in the provision of domestic interexchange tele-

communications services, TRA's members have aggressively entered new markets and are now actively reselling international, wireless, enhanced and Internet services. TRA's members will also be among the many new market entrants who will soon be offering local exchange telecommunications services. They will do so, generally through traditional "total service" resale of incumbent local exchange carrier or competitive local exchange carrier retail service offerings or by recombining unbundled network elements obtained from incumbent local exchange carriers to create "virtual local exchange networks."

TRA is concerned with the deficiencies in Ameritech's Operation Support Systems ("OSS") evidenced in testimony given before the Commission on May 28, 1997. In particular, TRA is concerned with the very high percentage of orders from other carriers that are dropping to manual processing. As illustrated by AT&T's report on Order Status for April 1997 which was introduced at the Commission's May 28, 1997 hearing and is attached as Exhibit 1, 6,531 of the 14,737 AT&T orders completed by Ameritech in April, or 44%, required manual processing. The testimony provided by AT&T at that hearing revealed that this is not an isolated occurrence.

The manual processing of orders has the potential to adversely affect TRA's members in a disproportionate manner. When an order is processed manually, an opportunity arises for discriminatory treatment of the requesting carrier. An example based in recent experience a customer had with Brooks Fiber Communications of Michigan, Inc. and Ameritech which

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TRA has learned of serves to illustrate this point. Recently attorney Jill E. Boone opened a new law office in downtown Lansing. She initially placed an order with Brooks Fiber for telephone service, but indicated that she did not want a number from the "new" Lansing Brooks exchanges, preferring instead a traditional (read, "Ameritech") exchange for her phone number.

The Brooks representative indicated that this would be no problem. During the period of the following two weeks, Ms. Boone made numerous inquiries regarding the status of her order, but Brooks was unable to provide her with her new telephone number. This began to pose a problem as deadlines for ordering stationery, announcements and business cards drew near. Finally, Brooks informed her that, according to Ameritech, there were no numbers available from Ameritech in her building. She therefore placed an order with Ameritech which surprisingly enough was able to provide her with service at her new address. When her new telephone system was installed, the installer from Lucent Technologies mentioned to Ms. Boone that Ameritech frequently reserved numbers for its own use. See Affidavit of Jill E. Boone attached as Exhibit 2.

While the foregoing example is anecdotal, it illustrates an important problem with the use of manual processing of change orders. Under §§ 271(c)(2)(B)(xiv) and 251(c)(4) of the Telecommunications Act of 1996, Ameritech is required to provide resale service on a non-discriminatory basis. Further, under §§ 271(c)(2)(B)(ii) and 251(c)(3), Ameritech is required to

provide UNEs on a nondiscriminatory basis. It follows that an order placed by Brooks for local service and an order placed by Ameritech for local service should be treated exactly the same by Ameritech with regard to service availability. If the OSS in use is automated, this outcome is assured because to the automated system, an order is an order is an order. However, when high percentages of orders drop to manual, the potential for discrimination in the treatment of competitor's orders is much greater.

While this poses problems for carriers such as AT&T, for smaller carriers such as TRA's members, this problem is much more nettlesome. AT&T has presented many sound business reasons for requiring automated processing of orders which apply to AT&T and TRA members equally. However, AT&T is a large company with enough market share to demand performance from the ILEC. If its demands are not met, its volume of business will likely be great enough to justify legal action to rectify any disparity in treatment. Discriminatory treatment of the larger local service competitors will have a chilling aspect on local competition, but that impact will be much more severe on smaller carriers who do not have the economic "muscle" to push through discriminatory practices. Where a high percentage of manual completion of orders exists, the potential for discriminatory practices which may entirely deny market access to smaller competitors also exists. Processing delays and discriminatory treatment will have a far greater impact on a smaller company's ability to remain in

the market because of their inability to sustain relatively short delays or even losses of small numbers of customers.

This docket is replete with examples like the one above in which Ameritech failed to provide the same service to its competitors that it would to itself. In many cases, Ameritech has suggested that the blame lies elsewhere for these problems. The Commission need not decide whether Ameritech's attempts to shift responsibility are justified, however, because the Act *requires* Ameritech to provide resale service and UNEs on a nondiscriminatory basis. This means that Ameritech should be required to show that the number of orders dropping to manual for its competitors and for Ameritech itself are roughly equal. Absent such a showing, given the numerous examples of discriminatory treatment which have been provided and the high percentage of manual completion currently present, the Commission should determine that Ameritech has not complied with the competitive checklist. This conclusion is the only one which will assure an open local service market not only for the majors, but for small, new entrants as well.

Nor should this be seen as an issue limited to the initial provisioning of service. At every interface between TRA members and Ameritech, whether it be customer service, billing inquiries, or any of the other myriad details involved in the resale of telecommunications services, Ameritech must have in place automated OSS on par with what Ameritech has come to expect on an internal basis. The ability to service customers promptly, reliably and with-

out fear of discrimination on the part of the ILEC is an absolutely critical condition for creating a competitive market. From a broader policy perspective, the existence of real local competition, or at least the conditions which make it possible, are a prerequisite for Ameritech's entry into the interLATA market, where these very conditions exist today. The lack of reliable, experience-tested OSS for all aspects of resale of local service evidences that a fundamental building block of a local competitive market is absent in Michigan.

CONCLUSION

The problems associated with OSS demonstrate that Ameritech has not met the requirements of the competitive checklist. Ameritech is not providing nondiscriminatory service, and meaningful local competition cannot develop in the absence of Ameritech meeting the requirements imposed under the Telecommunications Act of 1996. Therefore Ameritech's entry into the interLATA market is premature.

Respectfully submitted,

TELECOMMUNICATIONS RESELLERS
ASSOCIATION



Dated: June 4, 1997

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Order Status for April 1997

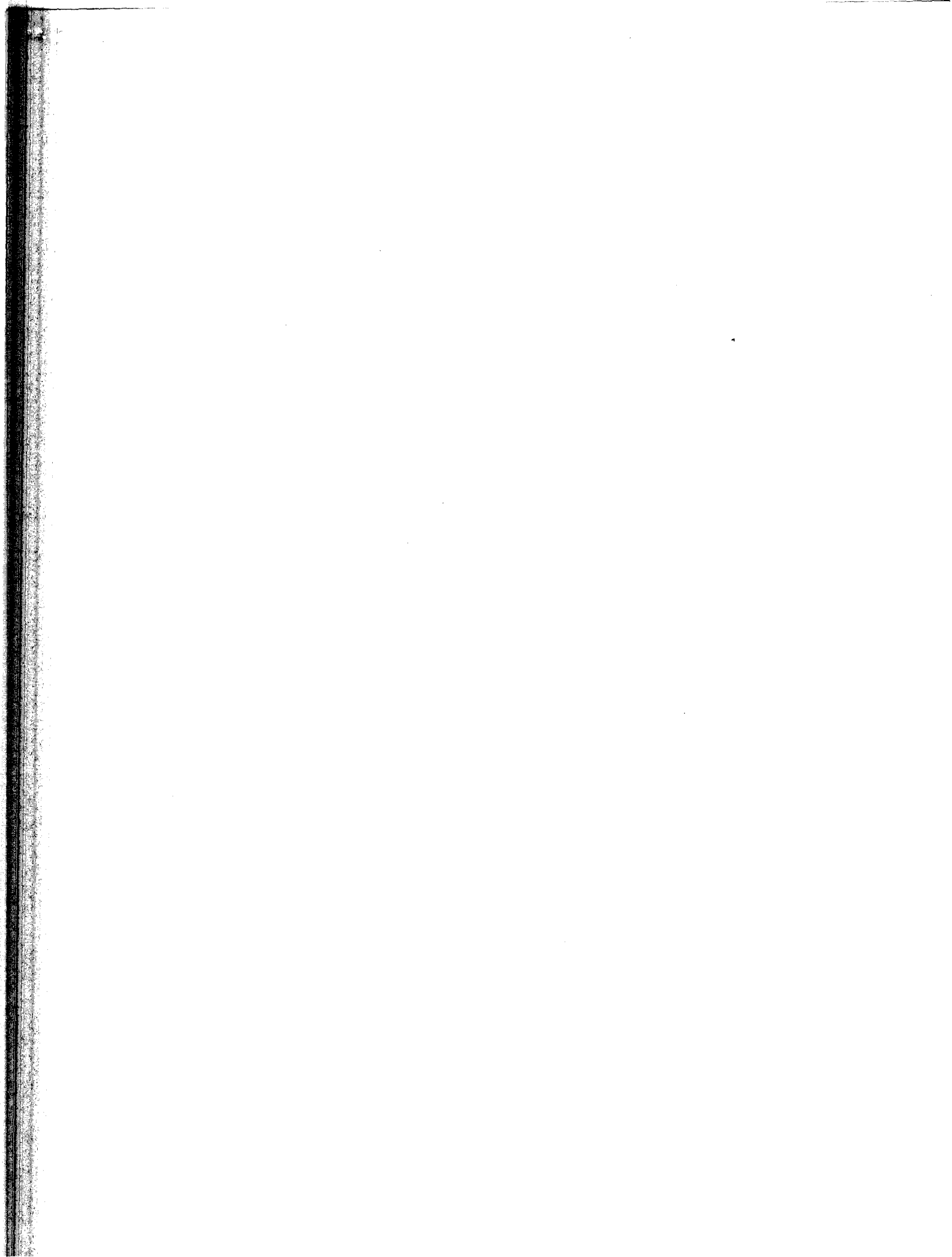
April

EDI ORDER ACTIVITY:

Total Orders Received Electronically	15585
Orders Processed as Planned	
- Automatic	8206
- With Manual intervention	6531
Total Orders Processed as Planned	14737
Orders Rejected	848

ORDERS REJECTED (BY MAJOR REASON CODE):

Caller ID with Name found without Call ID	5
PIC/LPIC/2PIC not valid for central office or area	77
Order number already exists	101
PIC/LPIC invalid	143
RSID on CSR does not match EDI850 RSID	47
Missing incomplete data (e.g. LPIC,USOC,FID)	3
Account already assumed	28
USOC not valid for central office or area	41
Change from residence to business without Yellow Page heading	5
USOC invalid	32
Cannot assume disconnected or non-existent account	4
Class of service invalid	38
Name and account mismatch	11
Invalid directory assistance information or incorrect address qualified	27
Invalid NPA/NXX for TN	21
Feature availability already exists on customer account	3
Removal or change of service does not exist	2
Others (numerous, none larger than 5 occurrences)	73



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Case No. U-11104

AFFIDAVIT OF JILL E. BOONE

1. I am an attorney engaged in solo practice. My offices are located at 115 W. Allegan Avenue, Suite 10B, Lansing, Michigan 48933-1712. I moved to this location in mid May, 1997.

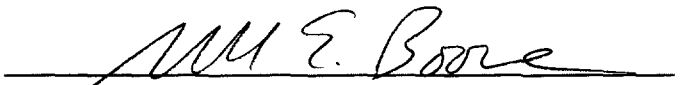
2. I initially placed an order with Brooks Fiber Communications of Michigan, Inc. for telephone service. At that time I told the Brooks' representative that I did not want a number from the "new" Lansing Brooks exchanges because I instead wanted a traditional Ameritech exchange for the phone number.

3. The Brooks representative indicated that this would be no problem. However, during the period of the following two weeks, I made numerous inquiries regarding the status of the order, but Brooks was unable to provide me with my new telephone number.

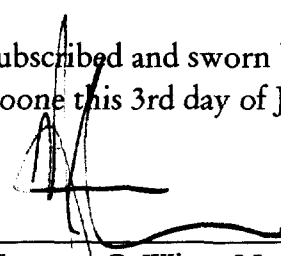
4. The delay in obtaining a new telephone number began to pose a problem as deadlines for ordering stationery, announcements and business cards drew near. Finally, Brooks informed me that, according to Ameritech, there were no numbers available from Ameritech in my new building.

5. I therefore placed an order with Ameritech and was able to receive service at my new address within a couple of days.

6. When my new telephone system was installed, I mentioned to the installer from Lucent Technologies that Brooks indicated that Ameritech had no numbers available for this building. The installer said that there were "no numbers were available for Brooks Fiber."


Jill E. Boone

Subscribed and sworn before me by Jill E.
Boone this 3rd day of June, 1997.


Norman C. Witte, Notary Public
Clinton County acting in Ingham County
My commission expires May 21, 1999

CERTIFICATE OF SERVICE

I, Jeannine Greene Massey, hereby certify that copies of the foregoing document were mailed this 10th day of June, 1997, by United States First Class mail, postage prepaid, to the following:

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Jeannine Greene Massey

* By Hand Delivery